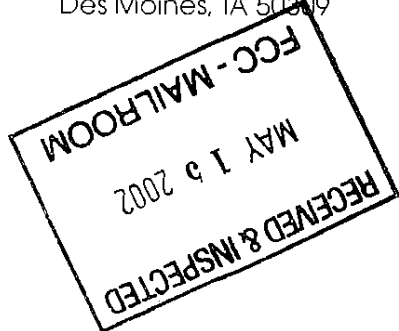




Setting the Rural Agenda

431 East Locust, Suite 300
Des Moines, IA 50309



Honorable Michael Powell
Federal Communications Commission
445 12th St. S.W.
Washington, DC 20554

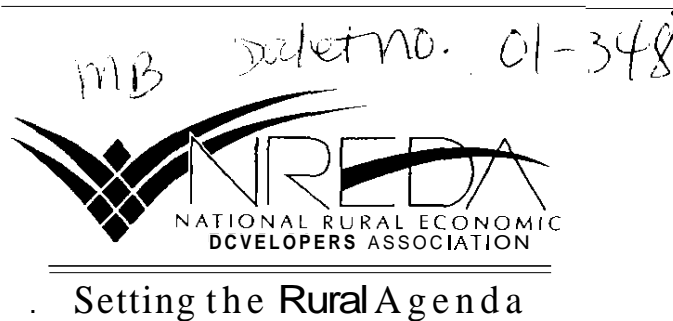


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UNITED STATES POSTAGE

Mr. Michael Powell, 01-348



May 6, 2002

Honorable Michael Powell
Chairman
Federal Communications Commission
445 12th St. S.W.
Washington, D.C. 20554

RE: Proceeding # 01-348
Comments in Opposition to the EchoStar/Hughes Merger by the National Rural
Economic Developers Association

Dear Chairman Powell:

The purpose of this letter is to inform you and the Commission that the National Rural Economic Developers Association (NREDA) has taken a formal action against the proposed merger of EchoStar and DIRECTV.

NREDA is a professional organization dedicated exclusively to the advancement of economic development in rural areas. NREDA's mission is to provide education, advocacy, and networking opportunities to rural and suburban utilities and affiliated organizations. The association's membership is made up of development professionals working for utility organizations. It is our job to attract business and industry, growth and economic improvement in our rural communities.

While the organizations and projects we work with have as their primary concerns location, infrastructure, available human resources and incentives, they are also concerned about an area's quality of life. The availability of modern telecommunications services is increasingly important both in site selection and in the amenities available to relocated employees who move into our communities.

That is why members of NREDA have an appreciation for the services DIRECTV and EchoStar provide. Satellite television eliminates a small, but critical concern site selection professionals have when they evaluate employee quality of life factors against the relative isolation of rural areas. Not only do these two DBS providers bring urban quality television access and content selection and service choice to rural communities, they do so in an innovative, price competitive way.

The loss of this competition is why NREDA is against this proposed merger. We believe this proposed transaction will eliminate the competitive tension that now exists between two satellite television service providers and it will give the EchoStar unregulated television monopoly control over millions of unserved and underserved rural households.

These concerns extend beyond television to high-speed Internet service over satellite. Robust Internet access is critical to business and therefore, it is important to economic development. Just like satellite TV, satellite Internet connections give organizations new options in plant and facilities siting. Unfortunately, a merged EchoStar and DIRECTV would control one-half of all the next generation satellite spectrum, an amount that would give it unprecedented market power and a de facto monopoly position.

We have read of EchoStar's alluring promises of satellite delivery of local television channels, lower costs of satellite-based high speed Internet (a service that would be valuable to local business), and the benefits of uniform national pricing. While EchoStar and DIRECTV offer a compelling vision, we are skeptical that even with strong regulatory oversight, this merger will work to the disadvantage of rural Americans.

In our line of work, we often hear promises of future performance by businesses interested in relocation or project siting. Along with the promises, these businesses want to know what our communities will do to attract and support their plans. This quid pro quo is an accepted part of the process. But you learn that more often than not the reality of relocation pressures, economics, management changes and the passage of time can break the back of the even the most well-intended promises.

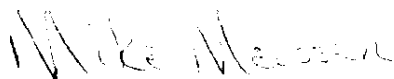
Our experience gives us great concern that a monopoly service provider saddled with huge debt, the challenges of combining two national companies with millions of customers and expensive service commitments will most certainly fall short of its promises that have generated so much excitement.

It is quite possible that the new combined company will pull back on the quality of customer service; it will assume a "take-it-or-leave-it" pricing attitude; it will curtail investment in innovation that promises to be of particular value to rural America; and in the end, rural Americans and their communities will be served by an expensive, hobbled monopoly satellite programming provider.

This doesn't have to happen. We ask that you and your colleagues reject the merger application and encourage competition and technological innovation in the satellite industry so that people and business in rural areas and small towns have the critical, evolving technology that guarantees access to the world equal to that of urban America.

Thank you for your consideration of our position. We wish you well in your deliberations

Sincerely,

A handwritten signature in dark ink, appearing to read "Mike Meissen". The signature is fluid and cursive, with the first name "Mike" being more prominent than the last name "Meissen".

Mike Meissen
NREDA President



Setting the Rural Agenda

*Providing education, advocacy, and networking opportunities
to rural and suburban utilities and affiliated organizations.*

Since 1990

~ Resolution ~

WHEREAS, new telecommunications technologies such as two-way high-speed Internet, digital switching, fiber, wireless and satellite distribution have made possible a dramatic expansion of content, quality and reach into all sectors of American life;

WHEREAS, this telecommunication revolution has greatly benefited rural America by increasing rural access to the world and world markets, it has dramatically reduced the isolation that once kept rural America on the outskirts of consumer choice and economic development;

WHEREAS, because modern telecommunications services give business and industry more options in site selection, rural economic developers can more readily compete with urban areas to attract new plants, facilities, jobs and growth;

WHEREAS, there is no doubt that a vibrant, growing information technology market **is** critical to the future growth of rural America. **It** is equally important that rural telecommunications services are offered in a way that is equal to urban areas in price, selection and quality;

WHEREAS, NREDA has grave concerns about the proposed merger of the two dominant satellite television providers EchoStar and Hughes/GM and its DIRECTV operations;

NOW, THEREFORE, it is NREDA's view that the merger would concentrate in the New EchoStar unregulated monopoly power over rural access to multi-channel television and future satellite Internet services. The New EchoStar's monopoly control over the rural market would reduce the attractiveness of rural communities as a place to live and therefore, such a merger would harm economic development activities.

FURTHER, NREDA believes that a merger-to-monopoly would, over time, reduce service, innovation and increase prices to the millions of rural consumers and businesses who would have no choice in service providers. Competition in telecommunications services is critical to rural economic development, growth and the health of communities we serve.

FINALLY, the National Rural Economic Developers Association urges the Department of Justice and The Federal Communications Commission to deny **the request of merger approval from Hughes/GM and EchoStar** and **Firmly** come down on the side of competition, innovation and customer choice.

On behalf of the National Rural Economic Developers Association


Mike Meissen, NREDA President